

ECONOMIC DEVELOPMENT COMMITTEE

August 10, 1999

4:35 P.M.

The meeting of the Economic Development Committee was called to order by Councilman Franklin, in the absence of Chairman Crockett. Councilmen Hakeem, Taylor, Hurley, and Rutherford were also present. Councilman Lively joined the meeting later. City Attorney Randall Nelson; Management Analyst Randy Burns; and Shirley Crowover, Assistant Clerk to the Council, were also present.

Pem Guerry was present to make the presentation.

RETAIL AND ENTERTAINMENT MASTER PLAN

Mr. Pem Guerry of RiverValley Partners was present to go over the Retail and Entertainment Master Plan, providing background and the anticipated funding for this.

Mr. Guerry began with the vision for a great downtown, noting the need for a larger residential population and the need to keep visitors here an extra day. He noted that a healthy downtown area is a magnet to attract new companies, visitors, and conventions. Mr. Guerry stated that the top priority is residential, retail, and the Riverwalk. He went over the successes in Chattanooga, noting that we are better off than a lot of places and mentioning retail anchors such as Warehouse Row/Frazier Ave.; key attractions such as the Aquarium/IMAX/Coolidge Park/Creative Discovery Museum; and the Choo-Choo. He mentioned the growing restaurant base at Ross's Landing/Southside/ and Northshore. He also touched on the emerging hotel market mentioning Residence Inn/Courtyard/Conference Center/ and others.

In spite of our successes, Mr. Guerry stated we were still challenged, mentioning the needs of downtown residents and workers; empty storefronts and vacant land, noting the next attraction would be the "Big Ride". He noted the support for planned mixed-use developments. Mr. Guerry stated we could not say the "Vision of Great Downtown" was here, but we are healthy.

Mr. Guerry went into the reasons for the project, mentioning requests from developers, retailers, and lenders, stating that we needed an analysis of the market to see if it will practically work; that we need a comprehensive and practical plan; that we don't want a bunch of retailers competing with each other; that we need to work together towards something that is implementable and that will sustain itself in the long run.

Mr. Guerry went over the Selection Process, identifying the local public/private team in developing interest in downtown retail and helping with the funding process. He stated that they did not include CBL as much as they should have. He stated they distributed the RFP to top consultants around the country and chose the top four for on-site presentations. He stated that of the four, Ernst and Young was chosen because they were ready to do research and was a developer. He noted that since this selection they had learned that this was a better selection than they had realized; that this selection was "as good as it gets". He stated that they negotiated a contract with them.

Mr. Guerry stated that the project had gotten a bit better and had expanded; that having the parking strategy already voted on was very intriguing; that the consultant would identify the key sites and develop an implementation strategy. He stated the chosen consultant was even better than we thought because of his unique access to developers, retailers, and lenders, mentioning a data base of 500 names. Mr. Guerry mentioned a trip to Las Vegas, noting the toughness of getting people interested. He stated the conference in Las Vegas was one of the best he had been to; that they had a lot of developers making deals and we were with the top people, and they showed levels of interest. Mr. Guerry also mentioned the Urban Land Institute, which hopefully would be successful for us; that they had asked Mayor Kinsey to speak on a panel about our downtown.

At this point Mr. Guerry showed a 1999 Dealmakers Guide for developers, owners, and investors, and this is made a part of the minute material. He noted that Bill Sudderth would speak on another panel at the Urban Land Institute. He explained that Chattanooga would have an exhibit place at the Institute and would be very visible.

The total project cost is \$105,000, with RiverValley Partners and other private and public sources providing \$80,000.00; they are asking \$25,000 from the City. The potential benefits to the City will be increased sales taxes which we hope to bring in; an increased property tax base; and a key element in overall economic development strategy. We will have a healthy downtown drawing companies to Chattanooga.

Mr. Guerry recognized Phil McNeil, Downtown Development Director.

Councilman Franklin asked about other partners in the funding. Mr. Guerry responded Provident, the Jim Berry Co., Chattanooga Land Co., several of the banks, CIGNA, and Blue Cross. Councilman Franklin asked if other companies would be involved in different phases of the Project. Mr. Guerry responded that they had not looked toward additional funding; that they might ask developers who have an interest and property downtown.

On motion of Councilwoman Hurley, seconded by Councilman Hakeem, this will be recommended to the full Council.

The meeting adjourned at 4:45 P.M.

